

### Remarks

This patent application was carefully reviewed with respect to the Office Action mailed April 12, 2000. Claims 1-3 and 11 have been amended. New claims 14-28 were added. Claims 1-28 are pending in the application. No new matter is added, and applicants respectfully request reconsideration of the claims and favorable action in this case.

New claims 14-28 have been added into this case to recite more completely and more definitely the subject matter of Applicants' invention. Support for these new claims is found throughout the application as originally filed. No new matter is added.

Claim 1 was rejected under 35 U.S.C. 103(a) as being unpatentable over Hanson (5,974,398, hereinafter referred to as '398) in view of Gerace (5,991,735, hereinafter referred to as '735). This rejection is respectfully traversed.

The action notes in rejecting claims 1, 4, 5, and 11, that "Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts..." while "Gerace discloses a similar system and method for determining a behavioral profile...in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits, and number of subsequent purchases made by customers." Additionally, in rejecting Claims 3, 8, 9, and 10, Examiner notes that "Gerace further discloses performing the calculation for each view-op after an initialization/evaluation period."

Applicants respectfully traverse. Specifically, Gerace fails to bridge the gap between Hanson and the claimed system. Claim 1 recites a system having a process that takes into account the results achieved by previous display of an advertisement during a view op on a website or set of websites, when determining whether to bid on a chance to present the advertisement during view-ops having particular characteristics. In contrast, Gerace describes a method that utilizes an advertisement success rate to alter the advertisement's characteristics "to see what characteristics are important, and who (type of user profile) the ad appeals to most", Gerace, Col 18, lines 43-45. In the system of Claim 1, an advertisement success factor affects the "bid selection logic." In Gerace, an advertisement success factor causes a change in how to determine those users that meet the predetermined criteria for the advertisement. Thus, the cited combination of Hanson and Gerace do not yield Applicants' claimed invention, and instead would only provide a bidding process that employs effectiveness to tailor characteristics of the

advertisement to be more suited to a targeted profile. There is no teaching or suggestion in Gerace to employ a function of the results achieved to determine whether an advertisement should be supplied during a view op. Yet this is explicit subject matter of Claim 1

Moreover, as banner advertising is a new advertising media, which Applicants have recognized as providing greater ability to measure the effectiveness of a positioned advertisement, Applicants respectfully traverse the stated position that is well known in the marketing art to allocate spending based on the effectiveness of a media. It may have been known in the art to spend more money on banner advertising versus print advertising, (i.e., the effectiveness of media), but there is no evidence that the subject matter of Claim 1, that considers results achieved by an advertisement during previous displays on the same site was known in the art.

The rejection of claims 3, 8, 9, and 10 is based upon Gerace further disclosing a process that performs an effectiveness calculation for each view-op after an initialization/evaluation period. Applicants respectfully disagree with this interpretation of Gerace wherein regression analysis is performed at scheduled intervals (See Gerace, Col 18, lines 42-43, 49). A scheduled updating of information at fixed intervals is not the equivalent of an initialization or evaluation period.

The above rejections cannot properly be maintained because the proposed combination of Hanson-Gerace does not teach or suggest every limitation as presented in amended claims 1-3, 11, and existing claims 4-10, 12-13. New claims 14-24 include similar limitations. Claims 1, 2, 4, 5, 14, and 20 are therefore patentable over the art as combined. Claims 3, 6-13, 15-19 and 21-24 depend from claims 1, 2, 4, 5, 14, and 20, and cite additional limitations, and therefore are also patentable for the same reasons.

Applicants believe all claims are now in condition for allowance, which action is requested. A check in the amount of \$192.00 is included for the excess claim fee. A Request for Extension of Time is also included.

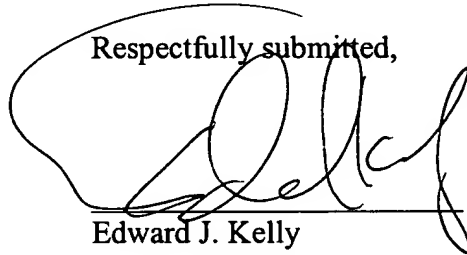
If there are any additional charges or credits, please apply them to Deposit Account No. 06-1448.

The Examiner is invited to call the undersigned to discuss this matter at the telephone number below if necessary to expedite the prosecution of the case.

Date: 10 Oct 2000

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Respectfully submitted,

  
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